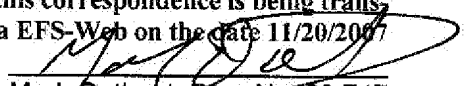


**PATENT APPLICATION  
IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

Title: Steerable Drill Bit Arrangement  
Application No.: 10/536,684  
Confirmation No.: 4614  
Inventor: Stroud, et al.  
Filing Date: 01/17/2006  
Group Art Unit: 3672  
Examiner: Stephenson, Daniel P  
Attorney Docket No.: SMAR003

I hereby certify that this correspondence is being trans-  
mitted to the USPTO via EFS-Web on the date 11/20/2007

  
Mark Oathout, Reg. No. 33,747

**Lodged via EFS-Web**  
Mail Stop Amendment  
Commissioner for Patents

**AMENDMENT & RESPONSE**

This is in response to the Official Action mailed June 20, 2007.

**Changes to the Specification** begin on page 2 of this paper.

**Changes in the Drawing Figures** includes 1 page as a "New Sheet" and is enclosed with this submission.

**Changes to the Claims** are reflected in the listing of claims beginning on page 3 and ending on page 6 of this paper.

**Remarks** begin on page 7 of this paper.

**Other Enclosures** included herewith via EFS-Web are a petition for a two month extension of time along with the \$460 associated fee, plus the fee for one additional independent claim (4 total independent claims) of \$210.